

Message Text

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ACTION EB-11

INFO OCT-01 EA-11 ISO-00 CAB-09 CIAE-00 COME-00 DODE-00

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FM AMCONSUL MELBOURNE

TO SECSTATE WASHDC 2141

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TAGS: ETRN, AS

SUBJECT: CIVAIR: RESTRICTIVE FOREIGN AIRLINE PRACTICES

REF: (A) STATE 079306 AND (B) MELBOURNE 0531, JUNE 5, 1973

1. REGRET DELAY IN RESPONSE BUT ADDITIONAL RESEARCH REQUIRED
IN ORDER TO UPDATE PREVIOUS INFORMATION.

2. AS FAR AS CAN BE DETERMINED AUSTRALIAN GOVERNMENT DOES NOT
DIRECTLY ASSIST QANTAS BUT MORE OR LESS INSISTS THAT IT OPERATE
AS A REGULAR PUBLIC CORPORATION. HOWEVER, THERE ARE SOME
INDIRECT, AND POSSIBLY DIRECT, ARRANGEMENTS SUCH AS LOWER
INTEREST ARRANGEMENTS WHICH DO GIVE QANTAS AN ADVANTAGE OVER
FOREIGN AIRLINES OPERATING IN AUSTRALIA. SOME ARE:

(A) SINCE QANTAS IS ONE HUNDRED PERCENT AUSTRALIAN GOVERNMENT
OWNED ITS BOARD IS RESPONSIBLE TO THE MINISTER OF TRANSPORT WHO
DELEGATES DAY-TO-DAY POLICY OPERATIONS TO THE SECRETARY OF THE
DEPARTMENT WHO IS ALSO DIRECTOR GENERAL OF CIVIL AVIATION. NO
DECISION OF ANY CONSEQUENCE IS TAKEN BY EITHER ORGANIZATION
WITHOUT FULL CONSULTATION WITH THE OTHER AND THE SECRETARY
COMBINES IN ONE PERSON THE AUTHORITY VESTED IN THE VARIOUS
SEPARATE U.S. REGULATORY AGENCIES SUCH AS CAB AND FAA.

(B) ALL LOANS FOR AIRCRAFT PURCHASED BY QANTAS ARE GUARANTEED

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BY THE GOVERNMENT, ENABLING SIMPLER FINANCING ARRANGEMENTS FOR
THEIR 747 FLEET AND REPORTEDLY AT A MUCH MORE FAVORABLE

INTEREST RATE. UP UNTIL 1971 QANTAS WAS EXEMPT FROM SALES TAX BUT THIS WAS CHANGED DUE TO PRESSURE BROUGHT BY OTHER AUSTRALIAN COMPANIES.

(C) A FEW YEARS AGO WHEN QANTAS SUFFERED FINANCIAL REVERSES FOR THE FIRST TIME, IT REQUESTED, AND RECEIVED, GOVERNMENT SUPPORT IN ARRANGING SPECIAL LOW FARES FROM AUSTRALIA TO EUROPE BASED EXCLUSIVELY ON THEIR ROUTES AND SERVICE. OTHER CARRIERS HAVE NOT BEEN ABLE TO MAKE OFFICIAL ADJUSTMENTS TO COINCIDE WITH THEIR ROUTE PATTERNS.

(D) IN SELECTING LOCATIONS FOR VARIOUS FACILITIES AT AIRPORTS IN AUSTRALIA QANTAS ALWAYS RECEIVES PREFERENTIAL CHOICE OF SITES.

(E) QANTAS AND CERTAIN OF THEIR POOL PARTNERS ARE NOT SUBJECT TO A SIX-WEEK TICKET CHECK BIANNUALLY. DEPARTMENT OF TRANSPORT STATES THIS IS NOT DISCRIMINATION BECAUSE QANTAS AND THEIR OTHER POOL AIRLINES SUPPLY THE INFORMATION BY OTHER MEANS. HOWEVER, TRANSPORT WILL NOT DISCLOSE THE METHOD THEY USE WHICH WOULD ALLOW ALL AIRLINES THE SAME PRIVILEGE.

3. POST AIRPOUCHING MOST RECENT COPY OF QANTAS ANNUAL REPORT, DATED 1972-73, AS WELL AS RECENT ARTICLE FROM TRADE JOURNAL ON QANTAS' POOL ARRANGEMENTS WITH FOREIGN AIRLINES.
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